Memorandum for:

17 May 1983

This memorandum was requested by

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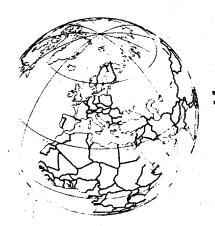
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MEMORANDUM

UK: Election Prospects--What If Thatcher Loses?

The Conservative Party of Prime Minister Margaret Thatcher has opened the campaign for the election on 9 June with a solid lead in the polls. A Harris poll taken last week gave the Tories 52 percent, Labor 31 percent and the Alliance 17 percent. A Gallup poll taken at the same time gave the Tories slightly less -- 49 percent -- but reflected the Harris poll figures for the other two parties. The Tories won the 1979 election with 44 percent of the vote. To overcome the Tory lead, the Labor Party would have to do better than it has done anytime since World War II.

If Thatcher can retain this lead, she will increase her absolute majority in Parliament and the Tories could end up with as many as 200 seats more than the Labor Party. In past elections, however, the gap between the front runner and the challenger has narrowed as the campaign has progressed. In addition, the Social Democratic-Liberal Alliance, formed in March 1981, should begin to pick up additional support if it follows Liberal Party precedent, and could mount a stronger challenge for the centrist voter than would the Liberals running alone.

Even if the Conservative Party fades somewhat during the campaign, however, it probably will win the election with a sizable majority. Thatcher will thus be in a position to fulfill commitments on INF basing and other defense matters.

If Labor Wins

Leftist forces within the Labor Party have increased their influence since 1979, and have been able to imprint their views on the party program. The last three party conferences, for example, endorsed unilateral nuclear disarmament by a larger margin each time and, in 1982, by a two-thirds vote that ensures its inclusion in Labor's program. According to the conference resolution, Labor:

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- -- supports cancellation of the Trident submarine program;
- -- rejects INF deployment in the United Kingdom and the rest of Western Europe;
- -- favors a nuclear freeze and the closing of US nuclear bases in the United Kingdom, and
- -- supports the inclusion of British forces in arms control negotiations, aiming for an eventual phaseout of the Polaris program. Britain would, during the 4- to 5- year tenure of a Labor government, reject nuclear weapons in favor of a "non-nuclear defense strategy."

We believe that a majority Labor government, under pressure from the left, probably would attempt to implement this program. The left's position would be supported by Labor leader Foot, a long-time proponent of the Campaign for Nuclear Disarmament (CND) who continues to voice his support for its principles. In addition, changes in party rules would now enable leftists to force their policy views on Members of Parliament. According to the US Embassy even moderates in the party attack the Trident program as too expensive at a time of social spending cuts, call for the British to include their own nuclear forces in arms talks, and demand rejection of INF or at least a "dual key" system that would place US nuclear weapons in the UK under the joint control of London and Washington.

Most disheartening from the standpoint of US interests are the public statements of Shadow Foreign Secretary and Deputy Party leader Denis Healey. Healey, who once said to the press he would not serve in a Labor government committed to unilateralism, has apparently decided to appease the left by publicly attacking US arms control policy, denouncing Trident, and denying he ever supported the NATO INF program. The press reports that Healey has said also that he does not in principle oppose ending Polaris or closing US bases, so long as it is done by negotiation with Washington and with the UK's allies.

Healey's friends in the party argue to US Embassy officers that, despite this stance, he is hoping to "keep Britain's nuclear options open" -- specifically to retain Polaris as long as possible and to keep US nuclear bases in the UK. To prevent or delay implementation of leftist policies, they maintain, he will count on pressure from the UK's allies and on the spinning out of negotiations over a period of years.

Minority Government

If neither the Tories nor Labor win a majority, one of them could try to form a minority government or gain the support of a smaller party, such as the SDP-Liberal Alliance or the Ulster Unionists. It is not in the British tradition to form coalition governments, and both Thatcher and Foot have already made press statements ruling out this option. If Thatcher decided to

try a minority government she would count on the small parties' desire to avoid another election; after a period of minority rule the voters generally swing away from the smaller parties, who in any event have trouble raising the money to fight elections in quick succession.

Thatcher probably would first seek support from the Northern Irish Unionist group, which will probably win about 12 seats in June. The Unionists would be interested mainly in the Irish question and probably would have few if any demands on foreign or defense policy. The Alliance, on the other hand, has demonstrated intense interest in foreign policy and defense issues in its election manifesto and could try to influence the Tories' policy if it held the balance of power. It has been skeptical of INF deployment -- although it does not dismiss this option outright -- and could seek a delay pending the outcome of the Geneva talks. At press conferences and in talks with US Embassy officers SDP defense spokesman David Owen has called for a "dual key" requirement. The Alliance program indicates it also would call for the cancellation of Trident on grounds that it is too expensive.

If Labor wins a plurality, it also could either try to rule from a minority position or negotiate the support of a small party -- most likely the SDP-Liberal Alliance. The Alliance, which has indicated a willingness to throw its support to either the Tories or Labor, probably would try to work with the Labor right wing to revamp the policy of unilateral disarmament and to moderate the anti-American tinge of Labor policies. This would probably lead to bitter infighting in Labor ranks.

In any event, the potential instability of a minority government would keep the UK's relations with its NATO allies unsettled. Whether Tory or Labor, the government would have to be more concerned with positioning itself for another election -- probably within one to two years -- than with long-term foreign policy commitments.